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OCTOBER 1952

MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

CAPITALISM AND CRIME

LEO HUBERMAN

FASCISM IN AMERICA

HISTORICUS

SCIENCE AND FREEDOM

D. D. KOSAMBI

**WHAT HAPPENED TO THE
ECONOMIC CRISIS?**

THE EDITORS

VOL 4

6

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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NOTES FROM THE EDITORS

Bob Lamb, who recently died in Boston after a long and heartbreaking illness, probably knew as much about the history and inner workings of American capitalism as anyone in the country today. An economist by training and profession, he was a key figure in two of the most important Congressional investigations of the Roosevelt period: the LaFollette Civil Liberties investigation during the late 30s and the Tolan National Defense Migration investigation during the war. Subsequently he served as legislative representative of the United Steel Workers and chairman of the CIO Legislative Committee in Washington. At all times he was a profound student of the structure and development of the American urban community. Several years ago, he returned to teaching and to the often-postponed task of writing

(continued on inside back cover)

WHAT HAPPENED TO THE ECONOMIC CRISIS?

In mid-May of this year, we wrote that "there is a very real possibility of an economic crisis in the near future." (MR, June 1952, p. 38.) Actually, there have been few signs of such a crisis in the intervening period. Was our analysis cockeyed, or did some new factor intervene to change the situation? It seems possible now to answer this question with reasonable assurance.

We based our conclusion that a crisis was possible in the near future on two main facts or sets of facts: first, the sensational expansion in the productive capacity of the United States economy in the last decade, and especially in the years since the war; and, second, the slowing up of the rate of increase of government spending as the armament program approaches its peak. We reasoned that without a large-scale and continuous *expansion* of arms spending, the productive machine could hardly be kept going full blast and that excess capacity would soon begin to show up pretty generally, to be followed by a cumulative falling off in economic activity. This analysis, in turn, pointed to the obvious danger that the ruling class would manufacture new war provocations in order to justify an even more monstrous arms program than that with which we are now saddled.

What actually happened?

The economy remained relatively stable during the summer, and the pessimism which was so widespread in business and government circles in the spring gradually evaporated. And all this took place without actual or prospective expansion of the arms program.

Why?

Fundamentally, the answer is: *because of the steel strike.*

The steel strike began early in June and ended late in July. It affected about seven-eighths of the industry. To some half-million steelworkers and their families it involved loss of earnings, piling up of debts, and in many cases genuine hardship and suffering. But to the steel industry it was a godsend, and to the capitalist economy as a whole it was a shot in the arm.

Before the strike, steel production was outrunning steel consumption, the difference going into producers' and users' inventories. By

May, this process had almost reached its limit: a glut of steel was about to develop. The result, as in all such cases, would doubtless have been sagging prices for steel and steel products, cutbacks in production, declining profits. And since steel is by far the most important industrial material, a recession in this key industry could easily have spread, involving other industries, confirming the pessimistic views then current among businessmen, and precipitating the very crisis which they feared.

The strike had quite different effects. Production immediately dropped to less than a fifth of capacity, and the relation between current output and current use was reversed. Inventories began to dwindle and continued to do so throughout the strike. By the end, reserves of many steel-consumers had been exhausted and of others had reached very low levels. Demand was strong again, and the market was ready to pay the substantial increase in steel prices which the industry extracted from the government in return for smaller concessions to the steelworkers. It is true, of course, that the steel companies were not making profits during the strike; but the fact that they were not paying wages meant that they were also not suffering heavy losses, and at least in some cases tax savings more than offset such losses as were incurred on current operations.

On the whole, therefore, there can be no doubt that for the steel industry the strike was "a good thing." It redressed the (from its point of view) unfavorable balance between supply and demand in the least expensive way, and it raised not only the price but also the profit margin on post-strike output.

As to the effect on the economy as a whole, here is the estimate of one New York investment firm (in a private circular addressed to its customers):

The longer-range effects of the steel strike seem likely to be generally beneficial. The danger that the supply of steel would overtake the demand, owing to the great increase in mill capacity, has been postponed for several months. The strike has undoubtedly enabled or forced many steel consumers to use up their inventories. It has created shortages, at least temporarily, of various products of which there have been surpluses or ample supplies. It has consequently improved the business outlook for the remainder of 1952.

This estimate of the situation seems to us to be entirely sound. The steel industry might have been the starting point of a general crisis; instead, owing to the strike and indirectly to the deprivations of the steelworkers, it was the channel through which the economy received a fresh inflationary fillip.

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But an inflationary fillip of this kind is not a self-maintaining, still less a cumulative, phenomenon. Its effects will wear off in a relatively short time; steel production has already outrun current consumption again, and inventories are being rebuilt; soon we shall be back where we were before the strike, facing the threat of a slump in the steel industry with all its dangerous implications for the economy as a whole.

Meanwhile, other basic weaknesses in the economic picture are beginning to show up.

The automobile industry, one of the most consistent boom factors in the postwar period, seems clearly to be facing a turning point. Says *Business Week* (August 30):

One thing, and one only, accounts for all those changes you're going to see in 1953 automobiles.

Competition is coming back next year. That's the consensus of the trade; all companies, major and independent, are girding for the first real struggle they have faced since the war.

All of which is merely another way of saying that here too supply has caught up with demand, and from now on the problem will be one of overproduction and excess capacity. (Characteristically, the smaller companies will be the first to take the rap: "Best guess," according to *Business Week*, "is that, if anyone suffers, it will be the independents." Natch.)

The housing boom, which has likewise been one of the main props of the economy in the whole postwar period, is also showing signs of tapering off. As *Business Week* sees it (August 23):

Home building and home furnishing, in the years ahead, won't be the booming business factor that some people think.

Builders have had a foretaste of this. Houses have been harder to sell. . . . But controls will come off mortgage money on Oct. 1, and that should boost sales to those who want to buy.

Longer range, though, the problem is: How many buyers are there? (Emphasis in original.)

After reviewing some of the factors determining the size of the market for new houses, *Business Week* sums up none too cheerfully: "More and more people are taking a sober look at housing prospects."

Finally, the most important factor of all in the postwar boom (aside, of course, from arms spending) may well be approaching a downturn. This is private business investment in plant and equipment, which has been running at unprecedentedly high rates during the past two years. As noted above, productive capacity is beginning to outrun demand in many lines, and more and more producers can be expected to cut down on their expansion programs. If and when

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they do, private investment will decline. "Tapering expenditures by business on new plant and equipment some time next year," remarks *Business Week* (August 30), "could mark the first lessening of demand for money."

Consumers' durable goods, of which automobiles are the most important; housing; and private business investment—these have been the three civilian legs on which postwar boom has stood. They are all still bearing their share of the weight, but all are showing signs of becoming shaky. The respite provided by the steel strike has temporarily obscured the underlying issues and turned the premature pessimism of last spring into a short-sighted optimism. But basically the outlook is pretty much what it was then: the economic barometer still points to stormy weather ahead.

The political implications, too, are unchanged. Whether or not we are lucky that no economic crisis has materialized during the last months of a lame-duck administration is an arguable question. What is not arguable is that the new administration that takes office next January, Democratic or Republican, will have to make a fateful decision: either a massive expansion of the arms program or a decisive turn toward a genuine welfare state. The productive capacity is there, and there are no other ways to use it. The days are past when a third alternative—chronic depression and mass unemployment—could or would be tolerated.

So far, unhappily, there is little to suggest that either the Democrats or the Republicans have understood this most fundamental of all issues facing the country; nor that either party, when confronted with it, will choose the course that is in the obvious interest of the American people and of world peace.

(September 15, 1952)

EVEN IF...

Even if moral considerations were excluded, presence of good tungsten deposits just south of the 38th parallel is a good reason for UN firmness in holding that line. Some mining is carried on there within range of communist guns, with troops protecting the miners. First quarter tungsten ore imports from South Korea amounted to 589,009 lb. tungsten content, topped only by imports from Portugal (598,442 lb.). (Emphasis in original.)

—*The Iron Age* (trade journal of the iron and steel industry),
June 19, 1952, p. 87.

FASCISM IN AMERICA

BY HISTORICUS

One of the most disturbing features of the present political situation in the United States is the widely observable complacency concerning the danger of fascism in this country. That this complacency permeates the political thinking of the so-called "general public," of the conformist intellectuals, and of the kept press is not remarkable—in fact it represents an important aspect of the existing political situation. What is really alarming is the attitude of such progressive and left-wing forces as exist in our country, an attitude that deprecates the threat of fascism in America, that refuses to consider fascism as a possible, let alone probable, stage in the development of American capitalism. All the more gratifying, therefore, is the political awareness and insight of the editors of *Monthly Review* who, always retaining historical perspective, have frequently and eloquently drawn attention to the seriousness of the fascist danger and to the folly of the prevailing optimism.

Such optimism is usually based on the following rather simple reasoning: for a political system to "qualify" as fascist, it has to display the German or Italian characteristics of fascism. It must be based on a fascist mass movement anchored primarily in para-military formations of brown shirts or black shirts. It must be a one-party regime, with the party headed by a Führer or a Duce symbolizing the principle of authoritarian leadership. It must be violently nationalist, racist, anti-Semitic. It must be frankly illiberal, intolerant of opposition, hostile to civil liberties and human rights.

It is quite obvious that, if this yardstick is applied, there is indeed little reason to become greatly alarmed over the American political scene. In this country we have neither a fascist mass movement, nor do storm troopers terrorize the streets of our cities. Neither Truman nor Stevenson nor even Eisenhower is, in his personal make-up and political aspirations, a Hitler or a Mussolini. While racism and anti-Semitism undoubtedly play a considerable role in the ruling ideology, their place is not dominant. And their nature is such that in the past they have frequently been able to co-exist with the most

Historicus, a professor at a large American university, has written for MR before, most recently in the "Cooperation on the Left" discussion (July 1950).

democratic and progressive currents in American history. Although the opposition to the existing order is haunted, jailed, and persecuted, it is not entirely outlawed and suppressed. Its newspapers are published, its views may be publicly expressed. In spite of the fact that civil liberties and human rights are under severe and constant attack and are subject to continuous violations, the ruling class and the government still pay lip service to the philosophy of the Constitution and the Bill of Rights, and the Supreme Court occasionally votes to protect the principles of "due process" and "equality before the law."

Nevertheless, this way of thinking about fascism is quite misleading. Indeed, while based on more or less accurate observation of German experience, it tends to make us concentrate on the *forms* of political events and to pay insufficient attention to their social content and historical significance. Not that the forms do not matter. But it is crucial to bear in mind that the forms may change from country to country and from period to period, and that it is only through understanding the economic and social *substance* of the historical process that specific political events can be seen in their proper light.

Fascism is a political system evolved by capitalist societies in the age of imperialism, wars, and social and national revolutions. It is designed to strengthen the state as an instrument of capitalist domination and to adapt it to the requirements of intensified class struggle on the national and/or international scene. Its development is brought about by a number of distinct though closely interrelated factors.

(1) The chronic crisis of the capitalist system that can be dated back approximately to the outbreak of World War I has rendered it impossible for capitalist countries to maintain economic (and political) stability and a tolerable level of income and employment without continuous governmental participation in economic affairs. In the *laissez faire* period of capitalist efflorescence, this participation was either of an essentially negative character (imposition of tariffs, fixing the length of the working day, regulating the conditions of employment of women and children, and so on) or of a distinctly sporadic nature (grants of land to individual capitalists or corporations, subsidies for the building of railroads, and the like). Under conditions of capitalist crisis, governmental participation in the economy assumes a qualitatively different character. To an ever increasing extent the government has to provide a market for the output of capitalist enterprise, and massive government spending becomes the indispensable prerequisite to the stability of the capitalist system. At the present time in this country, for example, the purchase of goods and services of all kinds by federal, state, and local governments (at

an annual rate of \$74.7 billion) accounts for almost 22 percent of the total gross national product and exceeds gross private investment by more than \$20 billion. In actual fact, the 22 percent ratio significantly *understates* the strategic role of the government: by supplementing and stimulating private investment, government spending becomes the crucially important determinant of the whole level of income and employment.

At the same time the growth in membership and strength of the trade unions makes it well-nigh inevitable for the government to assume an important role in the process of bargaining over wages, working conditions, union rights, and so on. Each major wage dispute assumes national significance; a major strike has repercussions for the entire economy; and the prevention and settlement of such disturbances become a foremost function of government.

It is obvious that the magnitude of the required spending and the channels into which it is directed, as well as the nature of governmental policy with regard to labor, are matters of vital concern to the capitalist class. Only certain types of government spending, only certain methods of government intervention, are acceptable to the dominant interests. Neither massive government outlays on social improvements nor large-scale government subsidies to low-income groups are compatible with the interests of business. Still less tolerable to business interests is direct governmental participation in profitable economic enterprise—the central fortress of the capitalist order. Of all the possible outlets for government spending, armaments and economic (and military) support of “friendly” governments abroad are the only ones that do not violate the working principles of the capitalist system, that do not interfere with profits and with the capitalists’ control and operation of business. Similarly, the only policy of the government that is in line with the requirements of the capitalist class is one which keeps in check the bargaining power of labor and resists “excessive” demands from the unions.

It is the paramount importance of the scope and character of governmental intervention that renders it imperative for the ruling class to tighten its grip over the structure and the policies of the state. With stakes as large as they are at the present time, it becomes altogether impossible to entrust the formation of government and the formulation of its policies to the vicissitudes of an “unbridled” political democracy. The danger of “disagreeable” accidents is always present in a democratic society—however incomplete and manipulated that democracy may be under capitalism. A wave of popular dissatisfaction, successful propaganda on the part of an opposition group, revolts of particular interests, or the political ambitions of magnetic personalities may occasionally result in an “undesirable”

composition of the government. Another historical freak connected with a depression might bring once more a Franklin Roosevelt into the White House, and a "starry-eyed" president courting popular acclaim might appoint "long-haired" professors and "social dreamers" to run his administration. Government policies might again assume a character unfriendly or even definitely hostile to the fundamental interests of the capitalist class. TVAs and Wagner Acts, persecution of monopolies and stepped-up progressive taxation, might become typical of the policies of a regime that is not fully subservient to business command.

(2) The necessity of exercising tighter control over the state coincides with the growing ability of the capitalist class to throw its concentrated weight into the political scales. Not that it did not control the state in America even before World War I. But at that time, both the state and the capitalist class were structurally different from what they are today. The state then served as a vehicle for rapid enrichment of individual businessmen, as a source of land grants, concessions, and franchises; it was subject to frequent but essentially disorganized robbery and used for protection of graft and outright crime. In short, the state was recurrently *exploited* by individual capitalists and groups of capitalists, rather than being continuously employed as a tool of the capitalist class as a whole.

The capitalist class itself, on the other hand, was not yet ripe for running the government along the lines of routinized big business. Composed of comparatively small entrepreneurs engaged in violent struggles for the market, of individual "robber barons" ruthlessly destroying their competitors, of business upstarts desperately fighting each other for a place in the sun, the capitalist class was torn by rivalries and jealousies among its individual groups and members. Sectional and particular interests thus disrupted the unity of the ruling class, frequently prevented it from undertaking decisive actions, even when such actions were required, and occasionally enabled labor and the middle classes to influence policy either by gaining electoral successes or—more frequently—by entering into temporary alliances with factions of the capitalist (and the landowning) class. As a result, the policies of the government were often based on compromise between divergent interests, with the interests of labor and of the middle classes often affecting the final outcome to a greater or lesser degree.

The situation becomes quite different as large-scale enterprise and monopoly develop into the dominant forms of capitalist business. With some 100 to 200 corporations controlling the bulk of the American economy, the ruling class acquires a leadership that is based firmly on a tremendous concentration of property and power. It is

no longer primarily interested in grabbing occasional spoils—and quickly running for cover. Instead it is determined to streamline the government into a normally functioning executive of the capitalist class. The government's voice is no longer the voice of any one faction of the ruling class; it embodies and expresses the interests and the will of the dominant group in the dominant class. The captains of monopolistic trusts, rooted not in small business units conducted by rule of thumb but reared in huge corporations strictly centralized and purposefully planned, are not prepared to have the vital business of government run by "trial and error"; they are not willing to have it exposed to the vagaries of the democratic process. Nor do they feel safe in letting second-hand agents and shifty politicians represent their vital interests in the councils of state. The government has become the largest Big Business in the country; it has assumed the significance of the crucial nerve center of the capitalist economy. And the government now commands the attention of the bosses themselves, of the leading echelon of the ruling class. The magnates of monopolistic business, their top executives, attorneys, and bankers thus move personally into the crucial positions in government. The Harrimans and the Lovetts, the McCloys and the Dulleses symbolize the amalgamation of Big Business and Big Government.

(3) Full-employment policies consisting of spending on armaments and of vigorous efforts at the conquest and retention of political spheres of influence (and investment) abroad, result in a marked expansion of the military establishment. The growing military establishment acquires an increasing political influence and in a short time attains a unique, sacrosanct role in political life. Standing "above all political parties" the generals have infiltrated both major parties. That the vital interests of the military happen to coincide with those of Big Business strengthens the position of both. While the generals crave more "hardware," more equipment, more supplies of all kinds, the corporations, now firmly entrenched in government, look for sufficient spending of the "right kind," that is for more armament orders, more government subsidies, more government-guaranteed loans. While generals at the time of retirement or a great deal earlier need extra money to supplement their relatively modest stipends (a vestige of a more democratic past!), Big Business needs generals to add luster to its boards of directors and to secure favorable treatment on the part of the military procurement officers as well as on the part of the "general public." The amalgamation of Big Business with Big Government is accompanied by the amalgamation of both with Big Brass.

(4) The political viability of this amalgam of monopoly capital, the military, and the governmental bureaucracy, depends on the

existence of a firm mass basis. It is the method of winning that mass basis and the difficulties to be overcome in retaining it that chiefly account for the differences in the *form* of fascist rule that have developed in various countries.

In Germany and Italy, the diversion of a sizable share of national resources to armaments, the preservation of monopolistic entrenchments, and the protection of satisfactory profits were feasible only at the expense of the living standards of the masses. And large sectors of the population, with rather low absolute levels of income, understood or at least suspected the irrationality and wastefulness of the prevailing economic and social order. The European worker, brought up in the tradition of an independent labor movement, steeped in the teaching of the Social Democratic and Communist Parties, represented, or was thought by the ruling class to represent, a serious obstacle to the establishment of a fascist regime. The destruction of the Social Democratic and Communist Parties, the emasculation of the trade unions, the smashing up of labor's cooperative and cultural organizations, were the essential prerequisites for the rise and the stabilization of fascist rule.

Threats and intimidation, concentration camps and firing squads, accomplished a large part of this task. The rest was taken care of by throwing large resources into a concerted effort to "adjust" popular ideology to the requirements of the fascist regime. The creation of the uniformed formations of fascist storm troopers provided good clothing and good meals to their often impoverished members and gave them a new feeling of dignity, of "belonging," of social status. The myth of the superiority of the master race was used to reconcile the unemployed, the worker, and the member of the lower middle classes to the inferiority of their economic position. Anti-Semitic propaganda was organized to divert their accumulated aggression from the existing social system and from the class ruling it to an expendable minority group. The belief in the existence of an external danger was continuously nurtured to create a feeling of national solidarity, to counteract class antagonism, and to justify huge military budgets.

That this ideological "processing" of the masses was eminently successful is by now common knowledge. The seeds of fascist mentality planted in Germany in the twenties and thirties not only yielded rich harvests in Buchenwald and Maidanek, in Dachau and Belsen; they produced the obedience and loyalty to the fascist regime which characterized the German nation until the very end of World War II, and still permeates large segments of it even today. And things were not very different in Italy, in Japan, in Poland, in Spain. Their concentration camps had different names, their chosen victims

were not always Jews, their success in fascist indoctrination was on the whole much less striking than in Germany. The pattern of fascist rule and the central purposes of the fascist regime, however, were essentially the same everywhere.

The problem of securing a mass base for fascism in the United States differs in a number of important respects. The most important difference is that the allocation of a large share of national output to military ends, under conditions of full employment, has brought not only preservation but even improvement of the living standards of the masses. This alone greatly reduces, even if it does not entirely eliminate, popular resistance to the armament policy, and it greatly facilitates the creation and maintenance of the political mass basis of the Big Business-military coalition. Nor is there a serious danger of such resistance flaring up in the immediate future. In the absence of strong left-wing parties, there are no important nuclei of a possible popular movement. The trade unions can hardly be counted as centers of potential opposition. The leadership of the AFL and CIO, representing, tightly controlling, and strongly influencing the most important part of the working class that is faring relatively well under conditions of full employment, far from opposing the coalition of Big Business and the military, aspires to the position of its junior partner.

Under such circumstances, there is obviously no need to fill concentration camps with the leaders of labor organizations, to have storm troopers spread terror in working-class districts, or to direct popular energies to the persecution of the Jews. Yet these exceptionally favorable conditions cannot be expected to last forever. The masses who support or tolerate a political system that provides them with employment in the production of armaments may look less favorably upon a regime that would offer them employment as cannon fodder in a global war. Thus the ruling class cannot leave to chance the cohesion and stability of its mass basis. The ideological "processing" of the population to assure its loyalty to the policies of the Big Business-military coalition (in peace but especially in war) has become a matter of supreme urgency. To insure popular acceptance of the armament program and popular loyalty in case of war, the existence of external danger has been systematically hammered into the minds of the American people. This external menace has been continuously invoked to justify the suppression of whatever sources of potential opposition may exist in American society. Under the pretext of ridding the country of "foreign agents," American Communists, independent socialists, and intransigent enemies of fascism have been systematically removed from crucial sectors of national life. An incessant campaign of official and semi-official propaganda, financed

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by both government and Big Business, has been designed to produce an almost complete uniformity of opinion on all important political issues. An elaborate system of economic and social pressures has been developed to silence independent thought and to stifle independent scientific, artistic, or literary expression. A spiderweb of corruption has been spun over the entire political and cultural life of the country and has driven principles, honesty, humanity, and courage from public life. The cynicism of vulgar empiricism has destroyed the moral fiber, the respect for reason, and the ability to discriminate between good and evil, among wide strata of the American intelligentsia. The stress on crude pragmatism, on the "science" of manipulation, has killed any preoccupation with the purposes and goals of human activity; it has elevated efficiency to an end in itself regardless of what is to be "efficiently" accomplished. Nonconformism and noncompliance with this official ideology, though not yet always punished with jail sentences, do lead to loss of employment, to social ostracism, and to endless harassment from the authorities.

The ideological and political consolidation of this mass basis creates the indispensable internal prerequisites for the crucially important external policies of the American ruling class. For this basis must at the present time support this country's leading position in the class struggle which, in the epoch of imperialism, wars, and revolutions, has moved to the international arena. The American ruling class, endeavoring to preserve capitalism wherever possible, fighting to maintain the colonial system wherever it threatens to break down, trying to strangle social revolutions wherever they succeed, has become the architect of a new counter-revolutionary Holy Alliance. The American imitators of Hitler's Anti-Comintern Pact depend for the success of their policy on one great resource: armed strength at home and abroad.

There is ample evidence that an influential part of the ruling coalition wants the immediate and drastic use of this armed strength—in war. Guided by class hatred and fear, these civilian and military leaders of the American ruling class are afraid that time may work against them, that the socialist sector of the world, given a period of consolidation and reconstruction, may increase its strength in relation to that of the counter-revolutionary alliance. Another part of the ruling class, uncertain as to the chances of winning a global conflict at the present time, advocates caution and careful preparation for the coming conflagration. The Bradleys and the Achesons, not unlike the conservative German generals who urged Hitler to take his time in preparing the attack on the Soviet Union, are not opposed to war. But they are opposed to a reckless plunge that may force this coun-

try to fight under unfavorable conditions, with insufficient power and without allies.

Nevertheless both groups are united in their basic determination to make this country the world's citadel of counter-revolution. Both are united in the resolve to use all available means to fight socialism. As yet they need no concentration camps for this purpose in the United States. They establish them where they *are* needed: in Korea. As yet they need no Buchenwalds or Dachaus in the United States. They establish them where they *are* needed: on Koje Island. As yet they need no storm troopers in the United States, slaughtering the wives and children of revolutionary workers and farmers. But they employ them where they *are* needed: in the towns and villages of Korea.

The ruling class achieves the substance of fascism without having to adopt its "classic" forms *at home*. As the course of international class struggle moves them farther and farther into foreign lands, as they come to deal with Koreans and Chinese, Filipinos and Vietnamese, they adopt all the traditional methods of fascist domination. Having to reconcile the American soldier to spending years in the foxholes of Korea, they imbue him with contempt for the "gooks" and the "chinks"; they extol to him the glory of "Operation Killer" and "Operation Strangle." And American soldiers, thus indoctrinated in the basic mentality of fascist "efficiency," fulfill their ugly task of burning sleeping villages, pouring napalm on women and children, "saturating" targets of no military significance. As Karl Marx wrote almost one hundred years ago: "The profound hypocrisy and inherent barbarism of bourgeois civilization lies unveiled before our eyes, turning from its home, where it assumes respectable forms, to the colonies, where it goes naked."

Whatever the *forms* of its specific actions, the Big Business-military coalition in the United States assumes all the *functions* of a fascist regime. It undertakes all the basic assignments of fascist rule. And it develops rapidly into its own American variety of government under capitalism in the age of imperialism, wars, and national and social revolutions. It becomes fully adapted to its sinister historical mission—to be the instrument of ruthless class struggle on the national and international planes.

... the official belief that in our society human life is sacrosanct is unfortunately not true. We live in a period of general devaluation of life for the many.

—F. Wertham, *The Show of Violence*

CAPITALISM AND CRIME

BY LEO HUBERMAN

PART I

*Through tatter'd clothes small vices do appear;
Robes and furr'd gowns hide all. Plate sin with gold,
And the strong lance of justice hurtless breaks;
Arm it in rags, a pigmy's straw doth pierce it.*

King Lear — Act IV, Scene 6

Newspaper headlines give evidence, almost daily, that "the crime problem" is becoming increasingly serious. The financial cost of the growing number of crimes customarily regarded as comprising "the crime problem" is staggering. Yet the cost of crimes not so regarded—the crimes of business managers and executives in the course of their daily work—is probably several times as great.

The jobbery of grafting politicians brings huge rewards, but the total is peanuts compared to the take of the thieving big shots in the business world.

In 1938, Public Enemy Number One, and Public Enemies Numbers Two, Three, Four, Five, and Six, stole *all together* \$130,000 by burglary and robbery; the amount stolen by Ivar Krueger was estimated at \$250,000,000—nearly two thousand times as much.

Add up all the losses to the public from all the robberies, burglaries, and larcenies in the United States; the sum is probably not greater than the fraudulent profits once obtained in a year by holding companies in public utility corporations for "services" to their operating companies.

These are but a few of the findings of Dr. Edwin H. Sutherland in his last book, a remarkable work entitled *White Collar Crime*.* Dr. Sutherland died one year after its publication in 1949. He had had an active career in the academic world as professor at the Universities of Illinois, Minnesota, and Chicago; from 1935 to 1949 he was head of the Department of Sociology at the University of Indiana. In 1939 he was President of the American Sociological Society.

* Edwin H. Sutherland, *White Collar Crime*, The Dryden Press, New York, 1949, \$3.00. (Please do not order the book from MR. If you want to send for a copy, write directly to The Dryden Press, 31 West 54th Street, New York 19, N. Y.)

Besides writing many articles, monographs, and book reviews for professional journals, he was the author of four major works. His *Criminology* has been the standard work on that subject for over two decades.

Here, then, is an academician whose reputation as America's most famous criminologist was deserved; a social scientist whose researches command respect; an accomplished scholar held in too high esteem to be tarred successfully with the "radical" brush.

All of which makes his *White Collar Crime* an invaluable study. The book is dynamite. It shows how profit-seeking businessmen, behaving in accordance with standard business practice, are themselves undermining the foundations of capitalist society. Much of what Sutherland discovered in his investigation had already been affirmed by Marxists; now they have the results of his twenty-five year study as incontrovertible proof.

The social implications of his work were not Sutherland's major interest. "This book," he says in the Preface, "is a study in the theory of criminal behavior. It is an attempt to reform the theory of criminal behavior, not to reform anything else. Although it may have implications for social reforms, social reforms are not the objective of the book."

What Sutherland set out to prove was the fallacy in the generally accepted theories that crimes are concentrated in the lower economic class, that poverty is the cause of crime. The assumption in these theories is that criminal behavior is explained by poverty and the conditions related to it—poor housing, lack of organized recreation, lack of education, and disruptions in family life. In addition to these social causes of crime, criminologists have also suggested personal factors—biological abnormalities, intellectual inferiority, and emotional instability.

Sutherland's thesis is that "these social and personal pathologies are not an adequate explanation of criminal behavior . . . first, because the theories do not consistently fit the data of criminal behavior; and second, because the cases on which these theories are based are a biased sample of criminal acts." (p. 6.)

The second reason is of especial interest. Sutherland makes the point that the statistics generally employed in advancing the conventional explanation of criminal behavior are biased, and therefore invalid. They are biased because persons in the upper class who commit crimes are able, owing to their political and financial power, to escape arrest and conviction much more frequently than people in the lower income brackets.

The statistics are biased, too, for another, much more important

reason—the administrative procedures employed against upper class criminals are so different, that even the crimes of which businessmen are convicted don't get into the statistics.

Persons who violate laws regarding restraint of trade, advertising, pure food and drugs are not arrested by uniformed policemen, are not often tried in criminal courts, and are not committed to prisons; their illegal behavior generally receives the attention of administrative commissions and of courts operating under civil or equity jurisdiction. For this reason such violations of law are not included in the criminal statistics nor are individual cases brought to the attention of the scholars who write the theories of criminal behavior. The sample of criminal behavior on which the theories are founded is biased as to socio-economic status, since it excludes these business and professional men. This bias is quite as certain as it would be if the scholars selected only red-haired criminals and reached the conclusion that redness of hair was the cause of crime. (pp. 8-9.)

To establish his thesis that the theory of criminal behavior which holds that crime is largely a lower class phenomenon is invalid, Sutherland had to prove that the upper classes engage in much criminal behavior. There was, he points out, plenty of scattered material to indicate this. For example:

(1) The famous lawyer, James M. Beck, said of the period 1905-1917: "Diogenes would have been hard put to it to find an honest man in the Wall Street which I knew as a corporation attorney." (p. 10.)

(2) "Anton J. Cermak, once Mayor of Chicago and a businessman said: 'There is less graft in politics than in business.'" (p. 12.)

(3) "When the airmail contracts were cancelled because of graft, Will Rogers said: 'I hope they don't stop every industry where they find crookedness at the top'; and Elmer Davis said: 'If they are going to stop every industry where they find crookedness at the top they will have to stop them all.'" (p. 11.)

However, more than the testimony of a few who were on the inside, or the wisecracks of commentators, no matter how pungent, was needed to make the Sutherland thesis of upper-class crime convincing. The numerous government investigations of large-scale criminality in insurance, banking, munitions, and public utilities helped a great deal to establish the validity of his argument. But Sutherland went much further. He sought specific, incontestable evidence. He devoted a quarter of a century of research to an analysis of the life careers of seventy of the largest manufacturing, mining, and mercantile corporations, and fifteen of the largest power and light corpora-

tions. He tabulated the decisions of courts and administrative commissions against all of them for violations of the laws in respect to: "restraint of trade; misrepresentation in advertising; infringement of patents, trademarks, and copyrights; 'unfair labor practices' as defined by the National Labor Relations Law and a few decisions under other labor laws; rebates; financial fraud and violation of trust; violations of war regulations; and some miscellaneous offenses." (p. 18.)

He went for his information to the decisions of federal, state, and municipal courts, to the published decisions of the Federal Trade Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Food and Drug Administration, the Patent Office, the Federal Power Commission, the Federal Securities and Exchange Commission, and to the *Public Utility Reports*. For a number of reasons, such as the fact that many of the decisions were not published in federal or state reports, that many suits were settled out of court, that the Food and Drug Administration, except during the years 1924-1927, did not publish its decisions by names of offenders, and many other reasons equally convincing, Sutherland shows that his tabulation falls "far short of the total number of decisions" rendered against his 85 corporations.

Indeed it does. Hundreds of crimes of which these and other corporations and their officials are guilty never get to court; hundreds of others are not even charged against them. Take, for example, the Centralia mine explosion on March 25, 1947. The crime was murder—111 miners were killed. Though their death certificates might say they were killed by "methane gas" or by an "explosion" they were really killed because the coal company officials put profits before lives. The mine was known to be unsafe—both state and federal mine inspectors wrote report after report saying so. The workers knew the mine was unsafe—one year before the murder took place, they wrote to Governor Green of Illinois telling him so and asking him "to please save our lives."

When the state investigating committee—right on the job *after* the murder was committed—asked William H. Brown, supervisor of the mine, why the operators had not followed the inspectors' recommendations for proper ventilation, rock dusting, and a sprinkler system, he answered, "We honestly did not think it was economical for our mine."

"You mean you didn't want to bear the expense?" asked the committee.

"That's right," Brown replied. (MR, April 1950, pp. 372 ff.)

Murders like this one are not included in Sutherland's total of

crimes committed by the upper class. Nevertheless, his statistical record is impressive enough. He found no less than 980 decisions by courts and commissions against the 70 corporations—an average per corporation of 14.

Sutherland's definition of crime is important to an appreciation of his study:

The essential characteristic of crime is that it is behavior which is prohibited by the State as an injury to the State and against which the State may react at least as a last resort by punishment. (p. 31.)

His primary concern was not with crime in general but with those crimes committed by people in the upper class, crimes "not ordinarily included within the scope of criminology. White collar crime may be defined approximately as a crime committed by a person of respectability and high social status *in the course of his occupation*."* (p. 9. Emphasis added.)

The italicized words are significant. Sutherland's book does not deal with ordinary crimes of the upper class such as adultery, murder, intoxication; it deals only with those crimes which are part of their occupational procedures. Its attention is focussed on the crimes of which businessmen are guilty in their ordinary day-to-day business activities.

The evidence proves that they are guilty, among other things, of sabotage, hiring secret agents, spying, using violence, aiding the enemy in time of war.

Who—the Communists? No—the capitalists.

Item—*sabotage*: "... the evidence presented in the trial of A. B. Dick and other business machine companies [showed] that these companies maintained a sabotage school in Chicago in which their employees were trained to sabotage the machines of rival companies, and even machines of their own companies if the supplies of rival companies were being used." (p. 50.)

Item—*sabotage and secret agents*: "... these corporations have in some cases subsidized sabotage in the plants of competitors. Employees have been bribed and secret agents installed in the plants of competitors, with instructions to make defective commodities, delay shipments, foment labor troubles, and in other ways reduce the effi-

* The term "white collar" referring principally to business managers and executives, derives from a book entitled *Adventures of a White Collar Man* by Alfred P. Sloan Jr., former President and now Chairman of the Board of General Motors. (Clerks in offices and banks will be pleased to learn of their affinity to the head of the corporation making the highest profits in the world.)

ciency of competitors. . . ."

" . . . sales persons have been bribed or secret agents have been placed in stores to promote the sale of goods in preference to those of competitors. The Federal Trade Commission has reported that a manufacturing firm secretly placed its agent as a clerk in the store of Marshall Field in Chicago, with instructions to recommend its goods as superior to those of competitors." (pp. 78, 77.)

Item—*spies*: "The Association hired spies to search for price cutting by its members." (p. 79.)

"In 92 trade associations which were found by the courts to be violating the anti-trust laws in the period 1935-1939 . . . 28 had facilities for investigating or spying . . . 17 used threats or coercion; 2 used violence. . . ." (pp. 79-80.)

"These [corporation] spies shadowed practically all labor leaders who came to the city, shadowed conciliators from the Department of Labor and lecturers who came to the city." (p. 140.)

Item—*violence*: " . . . one corporation purchased 142 gas guns, while the Chicago Police Department purchased only 13; and it purchased 6,714 shells and grenades for gas-guns, while the Chicago Police Department purchased only 757. . . . Many other purchases of equipment for organized warfare [against workers] were made, of which the Committee did not secure evidence because of the destruction of records. This is especially true of machine guns." (p. 141.)

Item—*aiding the enemy in time of war*: " . . . several of the suits initiated during the recent war, which have not yet been decided, were against cartels with German and Japanese corporations, with provisions for restriction of production of commodities essential for war purposes of the United States and in some cases without analogous restriction of production by the German and Japanese corporations. An American corporation entered into an agreement in 1928 with the German chemical and dye trust, with the object of protecting its monopoly against the development of a competing product, by which production of the competing commodity in the United States was greatly restricted while no restriction whatever was placed on the production of the commodity in Germany. This was an important war commodity and the United States had a very meager supply at the outbreak of the war, while Germany was abundantly supplied. . . ." (p. 71.)

"The evidence for the proposition that profits take precedence over patriotism consists, to a slight extent, of the decisions of courts and commissions and, to a much larger extent, of the documentary evidence published by Congressional committees. This documentary evidence of the overt behavior of the corporation is generally in con-

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flict with the verbal statements of the corporation. On a few occasions the verbal statements have been forthright and have agreed with their overt behavior. The president of one corporation is reported to have said: 'Patriotism is a very beautiful thing but it must not be permitted to interfere with business.' The president of another corporation is reported to have said: 'We cannot assent to allowing our patriotism to interfere with our duties as trustees.' . . ." (p. 174.)

"This documentary evidence indicates that many corporations have used the national emergency as an opportunity for extraordinary enrichment of themselves. This evidence raises a question whether these corporations are not driven by self-interest to such an extent that they are constitutionally unable to participate in the cooperative life of society." (p. 175.)

Other evidence cited by Sutherland raises other important questions. The longest chapter in the book is devoted to crimes in restraint of trade. The evidence there proves that corporations driven by self-interest—as they *must* be in the capitalist system—have substituted for free competition a system of private collectivism.

What businessmen *say* is that our system of "free private enterprise" must be preserved. What businessmen *do* has resulted in "a system which is certainly not free enterprise and free competition." (p. 87.)

Our traditional American institutions have indeed been undermined, Sutherland proves, but not by the so-called "subversive intellectual liberals" who are the target of the Un-American Activities Committee. "This change in the economic system from free competition to private collectivism has been produced largely by the efforts of businessmen. Although they have not acted *en masse* with a definite intention of undermining the traditional American institutions, their behavior has actually produced this result." (p. 85.)

The Sherman Antitrust Law, passed in 1890, was designed to preserve free enterprise and free competition by making "combinations in restraint of trade" illegal. Sutherland shows that the consolidations that occurred among the seventy manufacturing, mining, and mercantile corporations occurred almost entirely *after* the enactment of the law. Practically all large corporations violate the "restraint of trade" law, and "from half to three-fourths of them engage in such practices so continuously that they may properly be called 'habitual criminals'." . . . Walter Lippmann summarized the available evidence accurately in the statement: 'Competition has survived only where men have been unable to abolish it.'" (p. 61.)

For Marxists this is, of course, not news. They see the change from competition to combination as inevitable. They do not sigh, in

futile fashion, for the return of "the good old days" and advocate the breaking up of monopolies as a solution to the problem. They see nothing wrong with monopolies—except that they are privately owned.

Though Sutherland was not a Marxist, he saw the problem clearly. "It is obviously impossible to return to the individualistic and competitive system of earlier generations, especially because the huge mergers cannot be unscrambled." (p. 88.) And he goes further: "This private collectivism is very similar to socialism in its departure from free enterprise and free competition, but differs from socialism in that it *does not include representation and consideration of the public.*" (pp. 84, 85. Emphasis added.)

The principal methods used by large corporations in restraint of trade—consolidations, price uniformity, and price discriminations—are given detailed treatment. One story, of a suit against Goodyear Tire and Rubber Co. and Sears, Roebuck and Co., illustrating price discriminations, is interesting for so many other aspects of business behavior, that it is worth quoting in full:

Goodyear made a contract with Sears Roebuck to furnish tires under a special brand name at cost plus six percent; these tires, except in the brand name, were identical with the tires sold under Goodyear's name. From 1926 to 1933, Sears Roebuck bought approximately 200,000,000 casings and 17,500,000 tubes from Goodyear at a price \$42,000,000 lower than the figure at which the same tires would have been sold to independent tire dealers. These tires were shipped to many different places and the costs were not significantly different from the costs of production for independent dealers. Goodyear sold 18 percent of its entire output of tires to Sears Roebuck under these contracts and received in payment only 11 percent of its income from the sale of tires. Because of this preferential price, Sears Roebuck cut the retail price of tires by approximately 25 percent and still had a profit of approximately 40 percent. The independent tire dealers appealed to Goodyear for assistance in meeting the competition of Sears Roebuck, since the contracts between Goodyear and Sears Roebuck were not known to outsiders. Goodyear produced a new tire to meet the competition but it was inferior in quality and proved inadequate. The consequence was that approximately half of the independent tire dealers in the United States in 1926 had abandoned this business by 1933.

This price discrimination not only gave Sears Roebuck a monopolistic position in the sale of tires but also gave it a great control over Goodyear. Sears Roebuck exercised its right to inspect the Goodyear books as to costs, and during the life of these contracts disallowed from half a million to one million dollars a year claimed by Goodyear as costs. When the first contract ter-

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minated in 1928, Sears Roebuck claimed that other tire manufacturers were prepared to make better offers than Goodyear had made, and insisted that Goodyear build a new plant in the South in order to reduce the freight charges for the southern trade of Sears Roebuck. Although the president of Goodyear asserted that this additional capacity was not needed, he was forced, in order to secure a renewal of the contract, to build a plant at Gadsden, Alabama, at a cost of \$9,000,000. While the renewal of that contract was under consideration, Sears Roebuck forced additional concessions in the form of a gift by Goodyear of 18,000 shares of common stock of the Goodyear corporation plus \$800,000 cash with which to purchase 32,000 additional shares, making a total of 50,000 shares with an approximate market value of \$1,250,000.

This contract between Goodyear and Sears Roebuck was kept secret. It was drawn up without the knowledge of anyone in the Goodyear organization except the president and an attorney, although it was revealed to the directors for ratification. Even after the ratification, many of Goodyear's officers did not know the contents of the contract, and the stockholders were not informed of the contract, of the bonus to Sears Roebuck, or of the other payments in favor of Sears Roebuck. When agents of the Federal Trade Commission, independent tire dealers, and other manufacturers of tires inquired about these contracts, both Goodyear and Sears Roebuck denied that such contracts existed. When the arrangement became known after about five years, the other tire manufacturers made similar arrangements with large dealers. Although the suit against the Goodyear and Sears Roebuck corporations was dismissed, decisions have been made against those who copied the pattern and continued similar price discriminations. (pp. 81-83.)

A widely held notion that should be discarded in the light of Sutherland's findings is the feeling that the bigger the corporation, the more solid its reputation, the less apt it is to go in for fraud in advertising. Not so. Decisions of misrepresentation in advertising under both the Pure Food Laws and the Federal Trade Commission Law have been made against an enormous number of articles advertised by the 70 corporations as well as by others. Not unknown, therefore suspect products, but nationally known brands. You will recognize the names: Kelvinator, Wheaties, Kraft-Phenix Cheese, Carnation Milk, Ivory Soap, Palmolive Soap, Rinso, Chipso, Zonite, Smith Brothers Cough Drops, Bayers' Aspirin, Cluett Peabody shirts, Fanny Farmer candy, Life Savers, Philco radio ("or almost any other radio"), Remington typewriter ("or almost any other typewriter"), Buick cars ("or almost any other standard automobile"), Goodyear tires ("or almost any other standard tires"), Encyclopedia Britannica, and a host of others. (p. 116.)

CAPITALISM AND CRIME

In Chicago, two men dissolved an aspirin tablet in a pint of water and sold it to a blind man for \$5 as a cure for his blindness. They were sent to jail for taking money under false pretenses. In what way is the exaggeration of values in many advertisements different?

The advertisements of large corporations often follow the principle in that fraud against the blind man except that they are less extreme and are not followed by imprisonment. Garments are advertised and sold as silk or wool when they are entirely or almost entirely cotton. "Alligator shoes" which are not made from alligator hides, "walnut furniture" which is not made from walnut lumber, "turtle-oil" facial cream which is not made from turtle-oil, "Oriental rugs" which are not made in the Orient, "Hudson seal furs" which are not the skins of Hudson seals are instances of such misrepresentation. (p. 123.)

An interesting sidelight in connection with misrepresentation in advertising is the report of The President's Commission on Social Trends that "on the basis of a survey of newspapers . . . only eight were found which did not carry advertisements that were patently false; of these eight newspapers one was the *Christian Science Monitor* and another the *United States Daily*." (p. 126.)

Under Sutherland's category of "miscellaneous crimes," there are a number which indicate that the seventy large corporations can give lessons in thieving to slick professional criminals. One corporation, for example, secretly connected a ten inch pipe to the New York City water system and thus robbed the city of an estimated half a million dollars worth of unmetered water. The city sued for that amount and settled its claim for approximately half. (p. 179.)

What is the answer to the problem of white collar crime? What can be done about the immorality of corporations and their executives?

(To be concluded)

The love of property and a consciousness of right and wrong have conflicting places in our organization.

—Abraham Lincoln

SCIENCE AND FREEDOM

BY D. D. KOSAMBI

In 1949, I saw that American scientists and intellectuals were greatly worried about the question of scientific freedom, meaning thereby freedom for the scientist to do what he liked while being paid by Big Business, war departments, or universities whose funds tended more and more to come from one or the other source. These gentlemen, living in a society where he who pays the piper insists upon calling the tune, did not seem to realize that science was no longer "independent" as in the days when modern machine production was still expanding at the lower stage of technical development, and the scientist who made the most essential discoveries was looked upon as a harmless individual toying with bits of wire, chemicals, perhaps collecting odd specimens in out of the way places. The scientist now is part of a far more closely integrated, tightly exploited social system; he lives much more comfortably than Faraday, but at the same time under the necessity of producing regular output of patentable or advertising value, while avoiding all dangerous social or philosophical ideas. As a result, the worthies I mention were quite worried about the lack of scientific freedom in a planned society—really, and perhaps subconsciously, to avoid thinking about what was actually happening to their own freedom in an age and time of extensive witch-hunting, where being called a Communist was far more dangerous than being caught red-handed in a fraud or robbery.

These considerations, however, are mentioned only because they can lead one astray from the main facts. There is an intimate connection between science and freedom, the individual freedom of the scientist being only a small aspect of the whole relation. *Freedom is the recognition of necessity; science is the cognition of necessity.* The first is the classical Marxist definition of freedom, to which I have added my own definition of science. Let us look closer into the implications.

As an illustration, consider the simple idea of flying. I am told that our ancestors in India had mastered some mysterious secrets of *yoga* whereby they could fly hundreds of miles in an instant.

Dr. Kosambi is one of India's leading younger scientists. His article on "Imperialism and Peace" appeared in the June 1951 issue of MR.

I don't believe it; these are flights of the fancy rather than of the body. Attempts to imitate the birds made very little progress, but gliders were more successful. Then came the posing of the elements of the problem, namely, sources of power, methods of propulsion, laws of aerodynamics—all involving scientific and experimental truths. Mankind was not free to fly till the flying machine was invented. Today, anyone can fly without *yoga*—provided he has the means to enter an airplane. This, as society and its property relations are constituted, implies that either he owns the plane, or someone who does allows him admission; ultimately, the question is whether or not our flying human has money, that is, the necessary control over means of production. In the abstract, nothing prevents him from sprouting a pair of wings and flying off like a bird, nor from becoming a *yogi* and soaring into the atmosphere by mere exercise of willpower. Such freedoms, nevertheless, are illusory; necessity compels man to find other, more feasible technical methods; society then imposes further restrictions on his freedom.

Take a more prosaic case, that of eyesight. Five hundred years ago, extreme short sight or extreme far sight would have been regarded as varieties of blindness; they were written off as afflictions from heaven, or concomitants of old age. Glasses had to be invented for the restoration of normal sight to such people. This implies today the science of optics, some knowledge of eye structure, of glass, including its chemistry, lens-grinding technique, factories, and workshops. There are still many people who suffer from eye defects that could easily be corrected by glasses; they are legally free to wear glasses. Only lack of funds prevents them. In India, the number of pairs of glasses really necessary but not available would run into millions.

We observe, then, that to recognize the necessity implies scientific experiment; in addition, there is a technical level which cannot be divorced from the experimental. Finally, there is a social structure that is not only intimately connected with the technical level, but also conditions the freedom of the individual by introducing a social "necessity" that in the abstract seems unnecessary but exists nevertheless. Necessity thus acquires social features as well as those derived from the properties of matter.

Some of my statements about science are not likely to be disputed: Science knows only one test, that of validity, of material proof. Science is nothing if it does not work in practice. Science is direct investigation of the properties of matter, hence materialistic. Scientific results are independent of the individual who carries out the experiment, in the sense that the same action always gives identical results. Finally, considered as the search for causes and

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their effects, science is cumulative; *science is the history of science*. Every scientific discovery of any importance is absorbed into the body of human scientific knowledge, to be used thereafter. School-boys can repeat Galileo's experiments, and first-year college students learn more mathematics than Newton knew; the young students, when they study, must go through much the same mental processes, stripped of inessentials and repeated according to modern points of view. But they do not have to read Galileo's dialogues, nor Newton's *Principia*. Here science differs essentially from the arts. True, in painting, the modern artist need not study the prehistoric bison in the cave of Altamira, nor the poet read Kalidasa. On the other hand, we can appreciate works of art and literature of all ages, for they are not subsumed in their successors in the manner of scientific discoveries. Esthetically, they have a survival value, without fear of obsolescence, that the scientific work lacks. However, not all esthetic effects have this survival value; the rapidly changing fashions that most ruling classes think necessary in their garments become as quickly ridiculous. How many popular songs have been forgotten since 1918?

The other statements may also be briefly illustrated. Two painters painting the same scene will produce substantially different pictures; two people clicking the shutter of the same camera pointed at the same object will not. The fruits of ritual are supposed to depend upon the rank of the celebrant; and only the king, medicine man, shaman, or brahmin have the power or the right to draw down certain benefits for mankind. Science tells us that these supposed benefits are imaginary, that the fertility of the soil is better obtained by special agrotechniques, chemical fertilizers, and so on, than by fertility rites. Moreover, the chemicals and techniques work in the same way independently of who applies them.

Now I give these examples deliberately, because both art and ritual performed at one time the functions that have been taken over by scientific observation and analysis. Primitive ritual is a substitute for what we now call scientific theory, though primitive technique is often correct. In India the menstrual tabu which isolates women from social contact is still observed, though dying out in the cities where the hurly-burly of industrial life deprives it of all meaning. Our workmen worship their tools on one day in the year, a custom not without charm which can be traced back to the oldest known times; but lathes, turbines, electric motors, and railway trains have made it clear that none of the workmen's personal *mana* resides in the tool. I note in the Poona market that the vegetable vendor makes the first sale of the day with a humble salutation to the balances, and to the goddess Bhavani; the stock-market specu-

lator may spend considerable sums on astrologers but doesn't neglect the market quotations and relies upon study of trends and corners in shares, stocks, bonds, and such modern financial jugglery which is absent from his and the astrologer's scriptures. The millions that bathe even now at the time of a solar eclipse can point with pride to the fact that their prayers have been successful, that the sun is always freed from the maw of the demon who swallows him; but astronomical theory which predicts the eclipse to the minute has crept into our traditional Indian almanacs, via the western nautical almanacs, so that people cannot really believe in what has come to be an obsolete practice. *In science, practice and theory cannot be divorced.* This does not mean that scientists have never held a wrong theory, but only that they keep on making better and better approximations to the truth, knowing that there is no final truth, simply because the properties of matter are infinite and inexhaustible. In ritual, no one dares make an experiment; the older the precept the stronger its grip.

Religion develops from ritual when primitive society acquires a class structure, a tighter organization of its originally varied components into a larger whole. It was a great advance in the development of human society when religion could be used to promote a life of good deeds, to ease the difficulties of human intercourse. What most of us do not realize is that science is also a social development, that the scientific method is not eternal, and that *science came into being only when the new class structure of society made it necessary.* Of course, science really comes into its own with the machine age, which cannot develop without science and which in turn contributes indispensable technical aids to further scientific discovery. But the fundamental inner connection is that machine production, like science, is *cumulative*. The machine accumulates human labor time towards the fulfilment of a specific human purpose. But modern science, as we know it, came into being before the machine age, and for the same purpose, namely to serve the new social needs. *Modern science is the creation of the bourgeoisie.*

Though a creation of the bourgeoisie, science is not its monopoly, and need not decay with the bourgeoisie. The art of dancing began as part of ritual, but is now one of society's esthetic pleasures even though the witch-doctors who initiated it have mostly vanished. Music is no longer necessary to promote the growth of plants; even as I write, I can hear the primitive rhythm of the tom-toms and ancient chants being practiced at midnight—not for better crops but for the sake of some relief from the daily grind of life by people who are milkmen, factory workers, and house servants. Sculpture does not mean the underground mysteries of prehistoric

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French grottos; the Parthenon statuary is admired in the British Museum, but no longer worshipped. There is no reason for science to remain bound any longer to the now decaying class that brought it into existence four centuries ago.

What I should like to convey to the reader is that science now stands upon another threshold that must be crossed if science is not to regress. One might even say that real science is about to begin, if the social obstacles that block its advance can be removed or surmounted. This will be as great a change as that from superstitious ritual to what we now call scientific method. After all, what superstition could be worse than that atomic energy should be devoted to purposes of war, of destroying humanity? Is the war department bacteriologist, who concentrates upon the technique of mass destruction by germ warfare (because more funds are available for that purpose than for the eradication of man-killing diseases like cholera), really more civilized than the medicine-man in his jungle hut?

The scientist needs one freedom most of all, namely, freedom from servitude to a particular class. Only in science *planned* for the benefit of all mankind, not for bacteriological, atomic, psychological or other mass warfare can the scientist be really free. He belongs to the forefront of that great tradition by which mankind raised itself above the beasts, first gathering and storing and then growing its own food, finding sources of energy outside its muscular efforts in the taming of fire, harnessing animals, wind, water, electricity, and finally the atomic nucleus. But if he serves the class that grows food scientifically and then dumps it in the ocean while millions starve all over the world, if he believes that the world is over-populated and the atom bomb a blessing that will perpetuate his own comfort, he is moving in a retrograde orbit, sinking to a level below that of any beast.

After all, how does science analyze necessity? The sciences were usually divided into the exact and the descriptive, according as they are based upon a mathematical theory or not. This distinction has faded away because the biological sciences have begun to feel the need for exact numerical prediction, while physics and chemistry have discovered that on the level of the individual particle, exact prediction is not possible as with the movements of the solar system. Both have found the new mathematical technique, based upon the theory of probability, that they need. In the final analysis, science acts by *changing* its scene of activity. It may be objected that astronomy does not change the planets or the stars; is it not purely a science of observation? Astronomy first became a science by observing the *changes* in the position of heavenly bodies. Further

progress was possible only when the light that reaches the astronomer was changed by being gathered into telescopes, broken up by passage through spectographs, or twisted by polarimeters. Parallel observations of changes, say in metallic vapors, in the laboratory enabled conclusions to be drawn about the internal constitution of the stars. There is no science without change.

If this be admitted, we are near the end of our inquiry. The reason why the scientist in a capitalist society today feels hemmed in and confined is that *the class he serves fears the consequences of change* such as has already taken place over a great part of the world's surface. The question of the desirability of such change cannot be discussed dispassionately, cannot be approached in a scientific manner, by the supposedly "free" scientist. The only test would be to see the two systems in peaceful competition, to see which one collapses of its own weight, succumbs to its own internal contradictions. But the scientist who says that this should be done finds himself without a job if he is on the wrong side of the "iron curtain."

The real task now is to change society, to turn the light of scientific inquiry upon the foundations of social structure. Are classes necessary, and in particular, what is the necessity for the bourgeoisie now? But it is precisely from cognition of this great problem of the day that the scientist is barred if a small class happens to rule his country.

Perhaps the crisis cannot be considered immediate in new democracies like India, where the bourgeoisie is itself a new class? This is incorrect. The new class did not develop its own science any more than it invented its own Indian steam engine and motor car. Just as it imports the best paying machinery, the science it needs is also imported in ready-made form. This class is also ready to import any political ideology that serves its end. This means that instead of the centuries of development from medieval to modern as in Europe, we can expect at best decades in India, under the leadership of a bourgeois-capitalist class that has only reoriented but not lost its colonial mentality.

There is *no* country in which a real scientist today can escape being a revolutionary.

I should very much like to see Communism tried for awhile before we give up civilization as a purely pathological phenomenon. At any rate, it can hardly produce worse results than Capitalism.

—George Bernard Shaw

THE ROAD TO SOCIALISM IN AMERICA

We publish herewith two more contributions to the discussion initiated by Irving Flamm's article, "The Road to Socialism in America," which appeared together with a brief commentary by the editors, in the January 1952, issue of MR.—The Editors.

ONLY ONE WAY TO SOCIALISM

By A Foreign Subscriber

In your discussion on the question of which way to socialism in America, aren't you all being typically "American"? Surely there is only one way to socialism in any country and that is by way of a class conflict between two main classes. In modern times isn't it established that classes are led and mobilized for the class conflict by political parties? How otherwise could America reach socialism than by the development of a party which won a response from wage earners as their champion against big employers? This surely is the core of the struggle for socialism regardless of what allies the wage earners may need and how broad the immediate program may have to be to bring these allies along.

But in America it seems that even socialists have accepted the idea that political success depends on being all things to all men. Just because the existence of your two big parties is traditional, no one seems to think it possible to develop a national party on class lines. Of course it will be difficult in American conditions because of your historical background which for so many years provided avenues of escape from wage earning or at least from low wages. Therefore class lines were less rigid and the field for the development of socialist ideas was infertile.

But these very same factors had also retarded the growth of trade unionism in America. Who can forget that in 1935 there were fewer than 4 million organized workers? And then in a few years the superstructure caught up with the foundation and "hey presto" there is a large trade union movement today.

In the same way, although such organizations as the American Labor Party and the Progressive Party have not grown rapidly on a

The author has had long experience in the trade-union and socialist movements.

THE ROAD TO SOCIALISM IN AMERICA

national scale, yet surely the foundation is there all right in the existence of well defined classes and the closing of avenues of escape from wage earning. And if all American socialists—the Communist Party and other Marxist groups particularly—stuck to their guns that there must be a mass class party, is it not possible that there might soon come a time when the wage earners might begin to respond to the call to organize politically with almost the same rapidity that they responded to the call in 1936 to organize industrially?

As an outsider who really knows damn-all about America, I have often been struck by the thought that American socialists are overawed by the American traditional “all-things-to-all-men” two party system. How otherwise can one explain the amazing spectacle a few years ago of Earl Browder having been able to put over in the American CP acceptance of the two party system and even extending it further into persuading the CP—the necessary lever to the creation of a mass third party—to liquidate itself?

I cannot see how there can be any short-cut socialism in America. There is no “American road to socialism.” It would be more accurate in my opinion to say that “America is not on the road to socialism.” Of course *Monthly Review*, *Masses* and *Mainstream*, Scott Nearing and others are doing a great educational job in putting forward socialist ideas. And also all the organizations which are fighting for *ad hoc* non-socialist objectives are doing a great job in mobilizing people to fight for progressive measures. But shouldn't the big goal be there—the acceptance by the American people of class divisions in political organizations?

WHOSE MOVEMENT IS SOCIALISM?

Rixford Knight (Jamaica, Vermont)

It is nice to have in the house a magazine that has dignity and literary merit and yet does not just peck around the edges of socialism. Nevertheless I can't help but remember that the *Call*, the *Appeal to Reason*, and the *Masses* were also pretty good publications and we still don't have socialism in this country. I wonder if this new magazine can hope to do better than they did.

When Owenism, Fourierism, and St. Simonism came over from Europe they were taken up by intellectuals. Socialism was of the

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haut monde. It was discussed in pleasant drawing rooms, and it had a good press. But later it fell from grace. From then on when a descendant of Greeley or Emerson went to a socialist meeting he found himself in a small, dim hall. Uncouth characters addressed him as "Comrade" and urged him to bring the little woman around to the house for a friendly pint. Socialism had become a working-class movement.

Although it was a working-class movement, it did not seem to attract the working class. Its little papers and leaflets were smothered by the wealthy capitalist press spiced with comics and sports pages and scandal. Today, hardly one worker in a dozen will even bother to pick up a socialist pamphlet.

In this country, at the present time, the people who are best equipped to see through the false, massive, continuous propaganda of capitalism and to appreciate the logic of socialism are the intellectuals. But because they don't feel at ease marching down Broadway under a banner proclaiming them prisoners of starvation, they do not play an active part in left-wing movements but instead write letters to their favorite liberal weekly saying, "We must educate the worker to understand the inequities of contemporaneous society."

There are good reasons why socialism should have become a working-class movement. But are there any why it should stay so? Is the issue in this wealthy country a television set for each worker, or is it a decent moral climate for all of us? The bald fact is that the working class hasn't supported its socialist movement. If, now, it were turned over to the intellectuals it would lose only a work-shirt that has been worn a long time and it would at least gain a necktie.

Monthly Review is patently a magazine for intellectuals. But there have been others before it that were too. This time what I would like to see back of our best left-wing paper is a left-wing organization that would cut across class lines to include decent intelligent people from all groups; and whose meetings would not be adjourned to the tune of *We Are the Wretches of the Earth*. A sort of Fabian society that yet wouldn't be too Fabian. Could such an organization do any worse than the workers have done? And would it have much trouble keeping to their Left?

Nothing fails like success—Lincoln Steffens.

(continued from inside front cover)

up the results of his many years of observation and study. It is a tragedy for the American progressive movement that he was struck down almost at the beginning of his labors and at a time of life when he should have been at the height of his powers. And it is doubly a tragedy for us, not only because he was one of the best of friends but also because he was one of the best of people to get new ideas from and to test ideas on.

On October 16, Oxford University Press will publish *The Responsibility of the Critic*, a selection from the papers and reviews of the late F. O. Matthiessen. This book contains some of Matthiessen's best writing, and John Rackliffe's skillful selection and arrangement of the material throw new light on Matthiessen's development and stature as a critic. It is a real pleasure to us to be able to recommend this book to MR readers, both because of MR's debt to Matthiessen and also because the book's editor has helped us in a thousand ways, large and small, from the very first days of MR's existence.

We've had no further word from Professor Galbraith in response to our invitation to answer "The Sixty-Four-Dollar Question" (MR, August 1952). We are reluctantly beginning to come to the conclusion that they won't let us debate with them in their press and don't want to debate with us in ours.

Don't forget to send us your order for Carl Marzani's new book, *We Can Be Friends*—paper-bound edition, \$1; cloth-bound edition, \$2.50. With it you get free your choice of one of the following MR pamphlets: *Why Socialism?* by Albert Einstein; *Inside the United Nations*; or *Socialism Is the Only Answer*, by Leo Huberman and Paul M. Sweezy.

Current combination sub and book bargains: One-year sub plus Leo Huberman's *The Truth about Socialism*—\$4. One-year sub plus Ray Ginger's biography of Gene Debs, *The Bending Cross*—\$4. One-year sub plus I. F. Stone's *The Hidden History of the Korean War*—\$5. One-year sub plus all three of the foregoing books—\$7. Remember that it'll soon be time for Xmas shopping and that subs to MR and books like these make perfect presents for your friends and relatives.

Announcement: We will soon be bringing out a one-dollar, paper-bound edition of Leo Huberman's *Man's Wordly Goods*, the book about which Harold Laski once said: "No one can read this book and ever again say that history is dull." Watch for progress reports in coming issues.

Letter of the month:

It doesn't seem possible that MR is in its fourth year. Nor do I ever cease to be amazed by the fact that this sturdy little magazine started on a surprisingly high level and managed to get better and better with every issue. My main regret (aside from its limited audience) is its limited size. The moment I receive it I drop whatever else I'm doing and read it from cover to cover. And it's all over so soon. Of course I always give it a slower and more careful reading later on. But there's still a long, long wait between the second or third reading and the first reading of the next issue. So I'm looking forward to the time when MR will be big enough to require a whole month for a full and complete reading!

Discussion of the issues raised in the article "How Shall We Vote?" (MR, September) will appear in the November issue which will be mailed out two weeks earlier than usual in order to be in the hands of all subscribers before Election Day.

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